

*William I. Koch*

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The Honorable Richard M. Berman  
United States District Judge for the Southern District of New York  
United States Courthouse  
500 Pearl St.  
New York, NY 10007-1312

Re: United States v. Rudy Kurniawan, 12-CR-00376

Dear Judge Berman:

My name is William I. Koch. As a victim of Rudy Kurniawan's fraud, I respectfully offer this statement in connection with the Court's upcoming sentencing of Mr. Kurniawan.

I am a collector. I collect fine art, antiques, and western and nautical ephemera and art, among other items. But one of my greatest passions has been collecting fine and rare wine. I began collecting fine and rare wine in the late 1970s, and continued over the past several decades. For me, the pleasure in collecting fine and rare wine comes from knowing that I own a unique and genuine historical piece that reflects a past era. As is the case with any collector, I place the utmost value on the authenticity of my collectibles.

In 2005 and 2006, I purchased several hundred bottles of fine and rare wine from the auction house Acker Merrall & Condit Company ("Acker"). After discovering that some of those bottles were counterfeit, I brought a lawsuit against Acker in 2008. Only through the Acker case did I find out that the counterfeit wines I bought from Acker were consigned by Mr. Kurniawan. In 2009, I initiated a lawsuit against Mr. Kurniawan in hopes of getting to the bottom of his counterfeiting scheme and recovering the substantial money I had spent buying his counterfeit wine.

As I testified during Mr. Kurniawan's criminal trial, I, like many others, was conned and cheated by Mr. Kurniawan. To date, my investigation has revealed that more than 200 bottles that I purchased from Mr. Kurniawan through Acker are counterfeit. I paid more than \$2 million for these worthless counterfeit bottles, and have spent millions more uncovering Mr. Kurniawan's widespread fraud.

But the damage Mr. Kurniawan has caused goes far beyond the purchase price. Indeed, years after filing my lawsuit against Mr. Kurniawan, I, with the help of experts, investigators, and attorneys, am still working to identify additional counterfeit wine sold by Mr. Kurniawan. While some of the counterfeit wines he sold likely are still in the cellars of those who first acquired them, and while some bottles may already have been consumed, it is likely that many wines counterfeited by Mr. Kurniawan have been or eventually will be resold to new, unwitting victims. Indeed, although I have gone to great lengths and incurred tremendous cost attempting to identify fake wines in my collection, most collectors do not or cannot spend the time and money necessary to do so. Accordingly, Mr. Kurniawan's injection of such a large number of counterfeit wines into the market will likely continue victimizing purchasers for years to come.

Further frustrating the efforts to uncover the full scope of his fraud, during my civil litigation against Mr. Kurniawan, he lied repeatedly—in discovery and otherwise—about his role in counterfeiting wine. In fact, it was only in connection with sentencing that Mr. Kurniawan has finally admitted he counterfeited wines and sold them. Despite his admission, I understand that even now Mr. Kurniawan seeks to minimize his crimes on the ground that his fraud was perpetrated upon wealthy collectors. In his sentencing submission, Mr. Kurniawan appears to advocate for a legal system in which affluent victims are afforded less protection under the law from criminals and fraud simply by virtue of their financial standing. I do not believe this Court should endorse Mr. Kurniawan's proposed system where those that he perceives as wealthy are fair game. (Of course Mr. Kurniawan earned tens of millions of dollars for himself defrauding collectors and wine drinkers of all types.) Every victim of fraud deserves equal treatment under the law. Wine counterfeiters are willing to target any and all potential victims regardless of their particular net worth.

I have reviewed the government's sentencing submission and agree with the government's request. I feel very strongly that fraud perpetrated upon consumers is a substantial crime, deserving of the judicial system's utmost attention. I believe that when one pays for a particular product, he or she deserves to receive the product for which he or she paid. This principle should hold true whether the item costs \$5 or \$5,000. And this principle is particularly true in the wine industry, where fraud almost always evades detection and where auction houses and collectors, whether knowingly or unknowingly, pass on the counterfeiter's misrepresentations. As I have learned, collectors who know they have purchased counterfeit wine frequently refuse to assist in uncovering the fraud because they are either embarrassed or because they simply want to get their money back. That is why I believe Mr. Kurniawan's criminal prosecution, and civil efforts to hold him and others to account, have been so important. Further, as far as counterfeit goods go, fake wine is relatively unique in that it may pose a health risk to the victim. It is impossible to know exactly what substance or combination of substances exists within each counterfeit bottle of wine, and what effect it may have on one's health once consumed. Mr. Kurniawan's crimes are not merely economic in nature; they create potential public health concerns.

Mr. Kurniawan has irreversibly compromised the integrity of the market for rare and fine wines by introducing hundreds and likely thousands of bottles into the stream of commerce. Many of these bottles have been and will continue to be circulated among wine collectors who may not be able to detect counterfeits. This type of far-reaching fraud must be deterred. Serious fraud merits serious punishment, including imprisonment and civil forfeiture as advocated by the government. The Court and jury have shone a light on Mr. Kurniawan's wrongdoing, and as a victim of his fraud, I respectfully urge you to impose upon Mr. Kurniawan as severe a sentence as you deem just.

I thank you sincerely for your time and consideration.

Respectfully,

/s/ William I. Koch

cc: Jerome H. Mooney (via email)  
Jason P. Hernandez (via email)